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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MISSOURI

FILED	MARTHA ROSE
ID #	400980633069
Break	10.5
Other	10/16/1986

IN RE:

MARTHA C. ROSE CHEMICALS,
INC. (MCR), a Missouri
corporation,

Debtor.

Chapter 7 Proceeding

RECEIVED

OCT 20 1986

Case No. 86-027872

CMPL SECTION

PROOF OF CLAIM

1. The undersigned _____
is the agent of the United States Government and is authorized
to make this proof of claim on behalf of the claimant.

2. The debtor was, at the time of the filing of the petition,
initiating this case, and still is liable to this claimant, in
the sum of _____.

3. The grounds of liability is as follows:

1. Complaint and Notice of Opportunity for Hearing in
Docket No. VII-84-T-331, filed on February 28, 1985, pursuant
to Section 16(a) of the Toxic Substances Control Act (TSCA),
15 U.S.C. § 2615(a), and Consent Agreement and Final Order
in Docket No. VII-84-T-331, filed on September 27, 1985;

2. Order in Docket No. 86-F-0006, filed on May 23,
1986, pursuant to Section 106(a) of CERCLA, 42 U.S.C.
§ 9606(a); and

3. Order in Docket No. 86-F-0015, filed on September 26,
1986, pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).



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SUPERFUND RECORDS

The above referenced complaint (VII-84-T-331) was filed as a result of the EPA's preliminary determination that Martha C. Rose Chemicals, Inc. was in violation of federal regulations addressing the manufacture, processing, use, distribution in commerce, disposal, storage and marking of polychlorinated biphenyls (PCBs), 40 C.F.R. Part 761, promulgated pursuant to § 6(e) of TSCA, 15 U.S.C. § 2605(e), and therefore MCR violated Section 15 of TSCA, 15 U.S.C. § 2614. A Consent Agreement and Final Order in this docket was filed on September 27, 1985, providing, in part, for payment of a civil penalty of \$94,200, should MCR fail to comply with paragraphs 1, 2, 3 or 4 of the Consent Agreement. MCR failed to comply with those paragraphs, in particular, paragraph 4 which required installment payments according to the schedule set out on page 3 of the Consent Agreement.

MCR made only two payments of \$10,000 each, therefore \$74,200 remains due and owing, plus accumulated interest to the time of filing of the petition herein.

The Orders in Docket Nos. 86-F-0006 and 86-F-0015 required MCR and associated or affiliated companies and individuals to take specific response actions to mitigate and eliminate the imminent and substantial endangerment to public health or welfare or the environment because of the releases of hazardous substances from the facilities indentified in those Orders. MCR failed to satisfy these Orders, therefore the United States has undertaken federal responses. Pursuant to Sections 106(b) and 107(c)(3), 42 U.S.C. §§ 9606(b) and 42 U.S.C. §9607(c)(3),

MCR is liable for costs and penalties for failure to comply with the Orders in Docket Nos. VII-86-F-0006 and VII-86-F-0015.

Martha C. Rose Chemicals, Inc. (MCR) directly or through its affiliated or associated companies, arranged for the transportation, storage and ultimate disposal of PCBs and PCB items (transformers, capacitors and equipment contaminated with PCBs). The improper storage and disposal of these PCBs and PCB items, which are hazardous wastes pursuant to Section 102 of CERCLA, 42 U.S.C. § 9602, resulted in releases and threats of releases of hazardous substances and the expenditure of federal funds by the United States Environmental Protection Agency and the Department of Justice, pursuant to CERCLA, 42 U.S.C. § 9601 et seq., and other authorities.

The expenditures by the United States pursuant to these authorities were for investigations, testing and sampling, interim removals, clean-up activities, research and other response actions pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604, or other authorities. Further, MCR and other associated or affiliated companies are liable to the United States for all expenses, fines and penalties arising out of the issuance of the above listed Complaint and Notice of Opportunity for Hearing and Consent Agreement and Final Order in Docket Nos VII-84-T-331, and Orders in Docket Nos. VII-86-F-0006 and VII-86-F-0015.

Pursuant to 11 U.S.C. § 362, the United States reserves the right to issue administrative orders and to commence and maintain regulatory enforcement actions against the debtor herein.

Martha C. Rose Chemicals, Inc. is the debtor herein, however information available to claimant indicates that Walter C. Carolan, personally exercised the degree of control over MCR and its assets, as well as the assets of associated or affiliated companies 100% owned by Walter C. Carolan, including American Steel Works, Inc., W. C. Carolan Company and Dust Suppression Systems, Inc. That in fact, MCR is merely a corporate shell set up and operated to avoid liabilities from the U. S. Government as well as other creditors in this matter.

4. This claim is not founded upon any writing in the contract sense, however, the United States refers to the writings and authorities addressed in 3 above. Copies of writings on which this claim is based are attached hereto.

5. Part of federal government's claim is founded on an open account arising out of the government's continuing expenses in connection with PCBs and other hazardous waste contamination in Missouri, as specified in 3 above, pursuant to Section 107 of CERCLA, 42 U.S.C. § 9607.

6. No judgment has been rendered in favor of the United States and against MCR or its associated or affiliated companies in connection with this claim.

7. All payments to the United States by MCR have been deducted for the purpose of making this proof of claim.

8. This claim is not subject to any set-off or counterclaim.

9. No security interest is held for this claim.

10. This claim is a general unsecured claim except to the extent that a priority is asserted against other creditors and parties in interest as to all expenses of the United States in connection with PCB and other hazardous waste contamination in Missouri as described in 3 above, which were or will be incurred subsequent to the filing of the petition in bankruptcy which commenced this action. A priority is also asserted as to all expenses incurred in connection with the issuance of or actions taken pursuant to the administrative orders described in 3 above. These expenses are post-petition administrative expenses of estate. The United States also asserts a priority with respect to any fines or penalties imposed against MCR pursuant to the administrative orders described in 3 above. It is the position of the United States that neither post-petition expenses, nor any actions required to be performed pursuant to either the order of a court of law or administrative orders are claims which can be discharged in bankruptcy.

11. The federal government makes no claim for salaries, wages, commissions or employee benefits.

Prayer For Relief

Wherefore, the United States prays that this Honorable Court:

1. Order Walter C. Carolan to submit information concerning his actions related to MCR and associated or affiliated companies, established, owned, and controlled by him, to determine if assets properly a part of the MCR estate have been fraudulently, illegally

and otherwise diverted from the MCR estate, thus making said MCR unable to satisfy obligations due and owing this claimant as well as other creditors in this matter.

2. Declare the foregoing claim to be a priority either as a cost of administration or otherwise, or, in the alternative a debt due the United States.

3. Order that the United States be paid the foregoing claim forthwith; and

4. Award to the United States such other relief as may be just and reasonable under the circumstances.

Respectfully submitted,

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MRSteincamp:10-14-86
Disk 23 doc 3

PRESS RESPONSE
MARTHA C. ROSE CHEMICALS, INC.

The Environmental Protection Agency today confirmed that a law suit has been filed in the United States District Court for the Western District of Missouri against Martha C. Rose Chemicals, Inc., American Steel Works, Inc., W. C. Carolan Company, Inc., and Walter C. Carolan. The complaint filed in the matter states that the defendants conducted business activities at the Martha C. Rose Chemicals, Inc. facility in Holden, Missouri, which was licensed to process and dispose of PCBs. The complaint states that the defendants are subject to EPA rules promulgated under the Toxic Substances Control Act governing the handling, storage, and disposal of PCBs. The complaint states that the defendants have violated these rules in the past and continue to be in violation.

In commenting on the filing of today's case, EPA Regional Administrator Morris Kay said, "The filing of this case represents our efforts to require that Martha C. Rose Chemicals comply with the law by properly storing and disposing of the PCBs at Holden. It is our belief, that as the owners and operators of that facility, they and the other defendants have the first responsibility for the clean-up."

In the complaint, EPA asks the court to find the defendants liable for the violations, and to be responsible for the proper disposal and site clean-up of the PCBs stored at the Holden, Missouri facility.

In March 1986, Martha C. Rose Chemicals, Inc., announced that it was financially unable to complete the disposal of the PCBs stored at the facility. In that same month, EPA commenced a court action to enforce an administrative subpoena, seeking to require Martha C. Rose Chemicals, Inc., and the other defendants to produce financial records which would allow the agency to audit the disbursement of receipts by Martha C. Rose Chemicals, Inc. That action has not been concluded, and the defendants have objected in court to the production of most of the financial records. Information made public by a Congressional Subcommittee showed that income of Martha C. Rose in 1983 and 1984 amounted to several million dollars in income, which resulted in a tax loss in one year, and a small profit, in the other.

In a separate proceeding, on creditors of Martha C. Rose Chemicals, Inc., have filed an involuntary petition in bankruptcy against the company, and hearings have been held to determine the extent of the assets and debts of the company. That action continues.

Representatives of the companies and cities which sent PCBs to the Holden facility have provided site security and performed some preliminary work at the site. There are estimated to be approximately 650 such generators of PCBs. EPA is negotiating with those parties for their commitment to continue clean-up activities. Mr. Kay said, "The generators of the PCBs are also legally liable for the clean-up. We will continue to work with them and assure proper clean-up and closure of the Holden facility.

INVENTORY OF ITEMS BELIEVED TO BE FROM AMERICAN STEEL WORKS OR MARTHA C. ROSE
2459 Charlotte, Kansas City, Missouri

As of 1:00 pm, October 16, 1986

10-7-86 - On trailer no. 746-TSZ:

yellow forklift (Cleveland Townmotor # 11815
assorted scrap metal and wood
blue large pressure tank (est. 2,000 to 3,000 gal.)
Coke machine (# 7HFO38808) from Vendo
large metal cabinet of clothing lockers
cutting torch cart
heat gas/propane tank
Cincinnati time clock
steel table frame
21 - 4'x4' plywood
approximately 25 aluminum pieces, 3' long
pulleys on tree
approximately 20' 6" I beam and square beam
ramps
control box
misc. scrap metal (on pulley) travis wire
1 bale fiberglass insulation
2 iron saw horses

On trailer no. 745-TSZ:

large angle roll (#13521
machine tool (Schom & Johnson)
Two drums with black power
electric motor (Lewis Allis Co. #2112568)
unidentifiable large piece of equipment with electric motor
assorted scrap iron with 3'x3'x5' wire bin
flanger, Buffalo, N.Y. #1
large steel components, painted baby blue
Invincible vacuum cleaner #28K140
Reeves motor with tool

On trailer no. 747-TSZ:

large hydraulic metal shear, NIAGARA, fac. #52509
two Chrysler marine inboard/outboard motors (V-8, 225 hp)
w/manifold/cover
Lincoln Electric welder, 2 Hobart welders (1 missing parts)
Unidentified equipment with 4 cylinder motor (Kohler)
large green shear press (Verson #19693-3010) 90 ton capacity, brake
large blue compressor (Gardner/Denver) 6 cylinder

Miscellaneous:

2 junk 4BSL auto carbs - 1 intake
1 bronze boat prop
1 small vacuum pump Duo Seg 1
1 flourescent light reflector

On trailer no. 749-TSZ:

large hydraulic metal roller, Webb # 6988 safety inspection #30623

large hydraulic drill (Baker Brothers)

die cast machine

large metal roller

large lathe, Hendry Machine Co. 14x66

Aronson Machine Co. Model # hd-100-1.45

hacksaw, Peerless Machine Co.

Eaton Motor and reducer

Schone & Johnson Machine Co.

10-9-86 - 2 pieces of roller assembly
Forklift, #566 painted on side
Hobart welder, serial #16DW-35304 with accessory serial #16DA-47445
Mubea press, serial #133A/33318/23
Doall cutter, serial # not shown

10-13-86 - Hobart Cyber-tig welder
Hobart #16DW15678
Thermodynamics #C91105A1770284
Hobart #8RT-12524
flanger/beader
Hobart #16DW-19196
band saw type S18, Grob Bros Mac #1358

10-15-86 - Drum #1: Equipment (tool inventory)

Rack of punches
Tube clamp
Can cement
Teflon Tape
3 banding tools
socket wrenches

5 drill bits
3 punches
chalk line
3 wrenches

44 saw blades
11 files
Bung wrench
steel letter

spray gun cannister
oil can
2 claw hammers
1 chip hammer
switch box
sand paper
grinder wheels
sanding disks
soap stone

4 emery wheels
1 brush
2 hammers
sledge hammer
hand broom

Band saw
2 boxes steel wool
1 pipe cutter and threader

pipe wrench

wrench

grinding disk

Allen wrench

chisel

brush

4 wire brushes

1 bit holder

1 drill bit

Misc. tools

2 levels

5 squares

1 wire reel

metal chisel

steel letters

5 triles

1 float

5 edgers

4 hammers

1 chain

vise grip

1 unidentified hand tool

grease gun

Drum #2

4 saws

1 cutter

1 pipe wrench

1 motor

6 gauges

1 wrench

1 b & d hand saw, serial #58250

box of steel letters

1 sander #7480

#8HDN Nibbler

1 air wrench #943257

pipe cutter #66722

air chisel #3300

solder gun

air grinder #23814

pressure gauge #10AA25WM

2 heat blowers #B for each

air grinder #957992

stapler (Bostich)

air grinder #4G84

grinder #3

sander #806001

Power brush

air saw #AKB26038

3 pipe die (Rigid)

Drum # 3

2 ratchet jacks (simpler)
pipe cutter Model #4S
pipe cutter #3-8
2 pipe dies
7 C clamps
torch and stand
pipe threader
1 stand
8 other misc. pieces
1 metal box of fittings
Pitot tube/manometer in metal box
1 cardboard box of 10 unions and 20 'gears'
1 long bolt
1 piece of stand
1 cardboard box of 31 'gears'
4 pry bars
1 pipe wrench
1 drill chuck
1 cardboard box with 17 pieces of misc. welding equipment
metal box of fittings

Drum # 4

3 levels	1 square
1 large level	3 flat misc. metal pieces
5 squares	1 chain tension
3 clamps	1 ball valve
wire cutter	1 clamp
1 C clamp	1 handle
pipe with coil	bender
pipe wrench	metal shears
2 sledge hammers	1 handle
broom end	1 tension piece
1 vise	shaft for bit
2 pieces of chain	1 metal bucket with nozzle & hose
3 funnels	2 tension pieces
1 tension bar	1 pair shears

Drum # 5

1 vise	hammer
2 - 2 gal. buckets of bits	wrench
1 vise	2 vise grips
1 metal clamp	file
grease gun	2 Allen wrenches
3 punches	socket
C clamp	screw driver
open end wrenches	b & d grinder #20626
bar clamp	metal bender piece
pulley assembly	wrench
4 pieces off of die machine with a small wooden box of cutters	

pipe clamp
1 clamp
piece of cable
pipe wrench

Miscellaneous

Metal Box containing:

4 dies
2 cutting heads
13 cutters
wheel with spindle
drill chuck
punch
Allen wrench
putty knife

1 vise and stand
grinder, Model #1Z853A
Fan with stand
grinder, Model #60064LD752
recharger (M-110C Sure Start)
7 iron stands
2 steel saw horses
1 steel table
large vat
blue drum
metal box
tripod pipe vise
3 welding shields

1 - 4'x 8'x 1/4" steel plate from floor
1 - 3'x 12'x 1/4" steel plate from floor
1 - 4'x 8' x 1/4" steel plate from floor
1 - 1" scrap steel with circle and square cutouts
1 - 4'x 8' cutting table
2 - 35 gallon drum (empty) sodium dispersion
1 - ridgit 535 pipe threader #356684
1 - welder tank dolly with 3 attachments (2 hoses and 1 head)
1 - 5 gallon bucket of miscellaneous parts
1 - simplex jack
1 - sprayer (sprayer nozzle, hose, paint container)
1 - tool box, 2 piece; bottom - American Steel Works, top -
Guardian Power
1 - 55 gallon drum (grease?)
1 - Brainard strapping system
1 - Lincoln welder serial #17894
1 - tool box marked "SFC tool box Dust Suppression"
1 - tool box (yellow) with miscellaneous drill bits
1 - orange adjustable top table approximately 24"x 48"
1 - motor and pump assembly AC#843530
1 - belt sander serial #2932110
1 - metal press rollers
1 - electric hoist Model #MB4453MMHIN
1 - 15' chain 3/4"

10-16-86 - 3 - 4'x 4'x 4' plywood boxes
60 - 1/2"x 8" bolts
120 - U-bolts
20 lbs. miscellaneous nuts and bolts
14 rolls miscellaneous tape (masking, fiber, etc.)
12 turn buckles
25 pieces of metal (none larger than 1/4"x 12"x 12")
25 electric l. switches
35 - 1" aluminum bushings
75 - 1/2" aluminum bushings
30 electrical conduit fittings
35 3/4" electrical conduit fittings
75 7/8" electrical conduit fittings
30 1/2" electrical conduit fittings
12 aluminum spray housings
25 brackets (none larger than 2")
7 wye strainers (Paget #112A)
7 Aquamatic #WA 125 wye strainers
9 miscellaneous wye strainers
6 1" wye strainers
9 1 1/4" wye strainers
16 water heater elements (Dayton #2E673)
15 aluminum boxes (approximately 8"x 8"x 8")
1 fuse (breaker box) Allen-Bradley #1494V-D560
5 aluminum boxes with split plastic rod in center
4 green shelves (4'x 7'x 10")
2 gray shelves (8'x 3'x 10")
1 gray shelf (5'x 6'x 2' with corrugated bases)
2 metal cabinets (3'x 5'x 18") 2 doors each
7 tool shelves (8'x 4'x 12")
1 gray chest of drawers from NW corner
500 feet of #14 wire
Binding hand tool (Cutter)
hand trailer winch with sprocket lock
1/2 box of metal pieces (6"x 6"x 6")
2 broom heads (18" and 24")
3 plywood boxes with equipment (approximately 4'x 4'x 4')
Dayton impact wrench #7980
3 Sioux air chisels (serial #C44654, #3300-1, one - no ID)
1 Adairs air chisel, serial #C9479
1 Reed Roller Bit Co., air chisel, serial #409149, Model #B1A

10/16/86 INVENTORY OF GREEN SHELVES

(approximate sizes)

60	1" closed nipples
50	3/4 x 3" nipples
20	1" x 3" nipples/37 aluminum housings
5	1/2" x 10" nipples
125	3/4" x 3 1/2" nipples
120	1/2" x 5 1/2" nipples
15	3/4" x 2 1/2" nipples
15	3/4" x 1/2" nipples
20	3/4" x 5 1/2" nipples
125	1/2" x 5 1/2" nipples
65	3/4" x 5 1/2" nipples
65	1/2" x 4" nipples
25	1" x 5" nipples
35	1" x 4 1/2" nipples
10	2 1/2" x 1" nipples
15	1" x 3 1/2" nipples
10	1" x 6" nipples
2	1" x 8" nipples
25	3/4" x 4" nipples
30	1 1/4" x 5" nipples
50	1 1/4" closed nipples
10	1 1/2" closed nipples
55	1/2" x 5" nipples
50	3/8" x 3" nipples
10	3/8 x 4" nipples
26	Aluminum housings
20	1/4" x 4 1/2" nipples
25	1/2" x 2" nipples
50	3/8" x 2 1/2" nipples
35	Aluminum housings
25	1/2" x 2" nipples
50	3/8" x 2 1/2" nipples
20	1/9" x 3 1/2" nipples
10	3/8" closed nipples
36	Brass housings
30	1 1/4" x 2 1/2" nipples
8	1" couplings
5	3" closed nipples
55	3/4" x 9 1/2" nipples
1	Wooden box miscellaneous machine parts
11	3/4" x 6" nipples
400	Brass nuts
75	Steel nuts
25	1" hex nuts
7	11/16" x 2" bolts
20	7/8" x 3 1/2" bolts

10/16/86 INVENTORY OF GREEN SHELVES CONTINUED

50	7/8" nuts
60	1" x 3 1/2" bolts
100	1" x 1 1/2" bolts
60	7/8" x 2" bolts
9	3" hose clamps
5	4" hose clamps
14	2 1/2" hose clamps
75	#16 nails
1	Box miscellaneous bolts
105	2" x 7/8" bolts
50	1/2" x 2 1/4" bolts
165	6" O.D. sleeves
100	6" plug gaskets
33	6" plug gaskets
65	5" x 7/8" bolts
10	Bus fuses
1	Bung wrench
7	1" x 3 1/2" nuts with bolts
20	#4173 sleeves
6	#8436 sleeves
9	Turn buckle
1	Bag miscellaneous electrical parts
8	#4166 sleeves
5	1' steel rods
12	#5278 Tamp caps
30	American Steel name plates
5	Cleaner teeth
4	#5114 forged tamp feet
9	#7323 balast plugs
4	#4502 Clermer teeth
20	#4757 hex nuts
1	Cardboard box 6" x 6" x 6" - misc. nuts and bolts

Buxton Property Inventory

10-8-86 - 7 large steel tubes 20+ - feet
2 steel tubes 4+ - feet

10-10-86 - 3 vats

Hays Property Inventory

10-10-86 - 1 forklift (Model #870 Hyster)
1 forklift (Model #082 Enerco Inc.)

Dwight Thomas Property Inventory

10-8-86 - 1 trailer

10-9-86 - 1 motor (Century Model #SC-225-JE4-107)
1 drill press
1 - 8' piece of pipe
4 small pieces of sheet metal

10-14-86 - 1 welder (Lincoln Model #SA200/Serial #408310)

McCoy's Inventory

10-10-86 - Several steel racks containing angle irons and bulk flat steel

- Yellow trailer

Knox's Garage Inventory

10-8-86 - Dynamatic Eaton Industrial Drivers Div. #H7217-59
2 copper tubing
air hose
wire welder
coaxial cable
7 uni struts brackets
nail gun ? Model SHP #1008
2 pipes
4 swivel joint pipes
1 sprocket and chain
1 box of fittings and bearings
1 electrical outlet
box of miscellaneous accessories
3 welding leads
1 T fitting
3 electrical boxes
1 circuit breaker box
1 junction box
3 pulleys and hooks
1 chain
Dayton Motor F #488305082H1270216
1 electric cord and light
loud speaker
Alliance Power Match Drive
1 welding holder
1 5' reinforced wire
6 pipe fittings
box copper fittings
Green Motor Model #4-266-3
Dynamatic Motor Model #M01035000902
large gear
Reliance Motor #T56G3202M-KZ
plastic bucket of bolts
Duty Master Motor #P56 H 134111
Dynamatic Motor #M2-430000-9523
Dayton 3 phase Motor Model #32554C
3 Duty Master Motors #P5CH1338P
Duty Master Motor (no ID #)
Dayton 3 phase #3N554C
1 box of nuts and bolts
electrical cable
1 wooden box of square motor base plates
Reliance Speed Reducer #10227100-ZC
Grant Worm Reduction #258SPF
Reliance DutyMaster motor #P256311D-64-XE
2 - 5' steel shafts 1" diameter
couplings, T's, nipples, and 1 metal box
Baldon Motor #208-220-440
Dynamatic motor #A1-100181-0006
7421 Binatrol controller
pipe flanges
2 - 8" shims

Reliance Speed Reducer #491883-BZ
Wanger Elec. #41E325B731
Duty Master AC #P56H1338P
Duty Master Motor #P18K1014AXA1
Reliance Speed Reducer #10004020YH
Flex Align Model #6263-1
Reliance Model #A21G8002
Reliance #10001365KL
Dynamatic #A1-100181-0006
1 metal box of fittings, etc.

10-17-86 - 1- 8' long box of pipe insulation
2 metal light fixture guards